

28
JAN. 27 1994

Mr. Gerry Korb
Vice President of Operations
The Knapheide Manufacturing Company
P.O. Box C-140
Quincy, Illinois 62306-2140

Dear Mr. Korb:

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WSTM/RCRA/RCOM:RMCCULLERS:KSV:B:RESPONSE.RBM:1/21/94

RCOM
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KSV
1/21/94

RCOM
DOYLE

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1/20/94

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I hope this letter and our telephone conversation of January 18, 1993, clarify the Agency's concerns and positions. If you have any questions, please call me at (913)551-7455.

Sincerely,

Ruben B. McCullers
Environmental Scientist
RCRA Compliance Section

cc. Ed Sadler, MDNR
Laurie Bobbitt, MDNR

BCC: PRC
Richards, CNSL



SINCE 1848

The Knapheide Mfg. Co. ■ 436 South Sixth Street ■ P. O. Box C-140 ■ Quincy, Illinois 62306-2140
TEL: (217) 222-7131 ■ FAX: (217) 222-5939 OR (800) 654-8997

December 15, 1993

RECEIVED

DEC 21 1993

RUBEN B. MCCULLERS
ENVIRONMENTAL SCIENTIST
U.S. ENVIRONMENTAL PROTECTION AGENCY REGION VII
726 MINNESOTA AVENUE
KANSAS CITY KS 66101

RCOM SECTION

RE: VISIT TO KNAPHEIDE ON DECEMBER 11, 1993

Thank you for traveling to Quincy to meet with us face-to-face. We think the meeting was very beneficial. You had a chance to see our West Quincy and temporary site first-hand and appreciate what the flood has done to our business. We, on the other hand, now understand better your thoughts on the supplemental environmental projects (SEP's).

Consistent with our meeting, this letter is meant to document our understanding of the direction The Knapheide Mfg. Co. needs to take to satisfy the Consent Agreement through implementation of the Closure Plan and SEP's.

- A. INCINERATOR CLOSURE - The previous plan will be reviewed in light of the flood and implemented if no changes are required.
- B. AUDIT PLAN - Since the West Quincy site is not currently used as a manufacturing site by Knapheide, the plan could be changed to perform an environmental assessment at the West Quincy site and perform an operations audit at the Quincy facilities. The operations audit would identify issues to be considered when implementing the new plant. The revised audit would carry the 60% offset rate.
- C. ELIGIBLE SEP'S - The following are the potential SEP's we discussed. Some are already implemented. Others, such as demolishing the wood treatment operation, will be done soon. Projects such as improved energy efficiency and better paint systems would be included with the new plant, a 2-2 ½ year project.



RUBEN B. MCCULLERS
December 15, 1993
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1. Cost of Fighting the Flood - The Knapheide Mfg. Co. spent \$535,000 preventing the flooding of the plant and levee district. The efforts to prevent the flood bought us time to implement the contingency plan; removing all paints, thinners and hazardous wastes prior to the flood. Most of our flood fighting costs were incurred in the first week when we paid our employees to work on the levees.
2. New Paint Systems in the Temporary Location - The new spray paint systems for the platform sides and tool boxes reduce VOC emissions. Both systems utilize gas infra-red ovens from Infra-Red Technology. The ovens reportedly turn VOC's into CO² and H²O when the solvents come in contact with the 225+° platinum plates. Infra-Red Technologies has run independent test at the Ashland Chemical laboratory and is in the process of applying for a patent of the process.

The side assembly spray paint system replaced the dip paint system in West Quincy, thus replacing a process which used higher rates of solvent per gallon of applied paint.

3. Flood Clean-up Costs
Knapheide has already spent over \$100,000 cleaning up the site from the flood. As you saw for yourself, many more dollars will be spent to complete the job.
4. Removing the Wood Treatment Building and Equipment
The flood damaged the wood treatment building beyond repair. Per our discussion, we will dismantle the building, test the equipment and storage tank for hazardous material and properly dispose of the material and equipment. This action will permanently eliminate a potential contamination source.



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5. Remove Above Ground Oil Tanks, Furnaces, Solvent Tanks and Underground Pipes

Knapheide will dispose of the above ground fuel oil, solvent and storage tanks and convert future heating to natural gas. The action will eliminate potential contamination sources.

6. Removal of Underground Dip Paint Tanks, Paint Overflow Tanks and Underground Fuel Oil Lines

The action will eliminate potential contamination sources.

7. Remove Paint Booths

Paint booths will be removed and disposed of as the buildings are made usable for tenants or storage.

8. Closure of Hazardous Waste Building

The cost to conduct sample tests and decommission the hazardous waste building would be considered a SEP.

9. Sampling the Fuel Oil and Solvent Plumes

Due to the flood, it will be necessary to resample the ground water monitoring wells and possibly add new wells to determine any changes in the fuel oil and solvent plumes prior to beginning remediation actions.

10. Solvent Recycling

Implement a program to recycle solvents versus ship off-site as wastes.

11. Drum Filter Compactor

Purchase compactors to crush the filters and reduce the number of drums shipped off-site thereby reducing the quantity of shipments of hazardous wastes which reduces potential spills.



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12. Use of Environmentally Friendly Finishing Systems - Consultation

We will be bringing a cleaning and painting consultant to Knapheide to help select the best paint technology for the new facility aimed at minimizing future VOC emissions. The total cost is estimated at \$5,000 plus the in-house time.

13. New Plant Costs

- a. Implementation of paint technologies which exceed the VOC requirements.
- b. Improved energy efficiency of the new plant versus West Quincy.
- c. Other processes and improvements beneficial to the environment.

Once the audit plan is revised and approved, we will begin issuing the quarterly reports on the progress of compliance with the Consent Agreement. We will communicate the audit costs-to-date to you by a separate letter for credit against the SEP balance.

We discussed a large number of potential SEP's with you and have attempted to document the major ones in this letter. We think all of them have merit but would like you to consider them in the order written so the benefits occur in Region VII as much as possible and as soon as possible.

We look forward to your response.

Sincerely,

THE KNAPHEIDE MFG. CO.


Gerry Korb
Vice President Operations

GWK:dd

cc: Harold Huggins, Environment & Facilities Manager
Sandra Oberkfell, Rudnick & Wolf
Bill Linsdsey, McLaren Hart



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VII
726 MINNESOTA AVENUE
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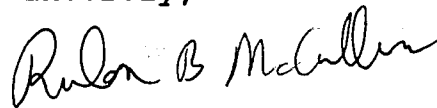
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cc. Ed Sadler, MDNR
Laurie Bobbitt, MDNR

BCC: PRC, Richards, CNSL

Signoff RBM Richards Doyle

Region VII Concerns For Rail Tank Cars Handling
at Commercial Combustion Facilities

Statement of the Problem: Many commercial combustion facilities in Region VII receive large volumes of hazardous waste via rail tank car shipments. Recent inspections of cement kilns subject to the BIF rule have documented instances where rail cars containing hazardous wastes are stored onsite in areas of the facilities that are not permitted or do not have interim status for some period of time before the waste is transferred into regulated storage tanks. In addition, tank cars that have been pumped out, but not meeting the RCRA definition of empty, are stored onsite in a similar manner. Another related situation that has come to light is that in some cases the railroads have established "transfer stations" for tank cars, in close proximity to the TSD facility. Rather than serving any real transportation purpose, these transfer stations appear to have been established for the convenience of the TSD facility and are typically unattended and unsecured.

Region VII Objectives: Establish a regional policy to address the management of rail tank cars containing hazardous waste at commercial combustion facility that establishes the minimum standards that should be applied in authorized states.

Background: Tank cars at combustion facilities may be onsite at anywhere from one day to several weeks before the contents are pumped into regulated tank storage facilities. Some reasons for the tank cars being onsite for extended periods of time include: 1. Railroads may deliver as many as eight to ten tank cars to the facility at a time; 2. Tank cars not delivered according to schedule; 3. Problems in either the storage facility or the kilns themselves; 4. Waste characterization problems, including lab equipment failure; 5. Inclement weather; 6. Delays in shipping rejected waste shipments back to generators; and 6. Problems in scheduling shipment of non-RCRA empty tank cars.

Historically, EPA Region VII has allowed other types waste handling facilities up to 24 hours to off-load tanker trucks into regulated storage tanks or recycling processes. The question is whether to establish a similar policy for commercial combustion facilities or to establish a separate policy altogether. Due to differences in the volumes of material handled (which increases the environmental significance of the facility, but makes a 24 hour tanker turnaround more difficult to achieve); and the separate set of circumstances that rail transport presents, it appears that a separate policy is warranted.

In arriving at a policy to address management of rail cars, environmental protection must not be compromised. Many of the cement plants in Region VII are located near rivers. Therefore, prevention of releases to surface waters must be given high priority in evaluating management alternatives. In addition any policy on rail car management should promote management of rail cars containing wastes on site, rather than at unattended transfer facilities.

Regulatory Analysis: Rail cars and tanker trucks used to transport hazardous waste are regulated as containers. At a commercial TSD facility, containers must be stored in either interim status or permitted storage areas. Therefore, once the rail cars arrive at the facility they are subject to RCRA container storage requirements.

The region's policy of allowing a facility 24 hours to off load tanker trucks, without being subject to RCRA storage requirements, is an exercise of enforcement discretion. In some recently issued state storage permits, this policy has been incorporated as a permit condition; and at least one permit allows a commercial TSD facility (This facility is permitted for storage and Subpart X treatment) to have rail tanks onsite for 72 hours, provided certain other conditions are met, without being subject to RCRA storage requirements.

Alternatives Being Considered: Based on our review of the current situation, regulatory considerations, and past policies with respect to storage requirements for TSD facilities there are two approaches that can be taken. One approach would be to simply require that all rail cars containing hazardous waste be stored in RCRA regulated storage areas upon arriving onsite. The other approach would be to establish a specific set of standards for rail car management at combustion facilities. These standards, if met by the facilities, would form the basis for the agencies' exercising enforcement during interim status with respect to container storage requirements. In addition, these standards could be incorporated into storage permits as specific permit conditions. These alternatives are discussed below.

I. Storage: Option Number one is to require the facility to permit this unit or include it under interim status if the facility is not permitted.

Advantage: Permit and interim status guidelines are understood by both the regulators and regulated industry. The requirements will be clear and easy to identify as protective of human health and the environment. The management practices associated with storage facilities will minimize the possibility of or control any release that occurs from the operations of the facility. The facility will be required to properly operate the storage area and to comply with all federal or state requirements for permitted areas.

Disadvantage: The major problems with these requirements are twofold. One is cost. The facility will be required to expend a significant amount of money to construct a RCRA container storage facility for rail cars. The second is that by allowing storage at similar facilities in the past we have set a precedent of allowing the storage within a certain time frame without a permit.

The cost increases will primarily be associated with the construction of secondary containment for the storage area (this would be required in the permit and some states require it under interim status), management of contaminated stormwater that collects in secondary containment areas, and financial assurance for the storage unit. Many kilns now have regulated storage between 200,000 and 1,000,000 gallons. The storage of 10 rail cars on-site would give the facility up to another 250,000 gallons of waste that would require third party disposal, should the company not be able to continue operation. The other primary concern is past policy. If we changed this policy, would we have to revisit policies set for similar facilities?

II. Enforcement Discretion/Permitting Standards. The second option would be to exercise limited enforcement discretion with regard to rail car storage requirements at interim status facilities, and structure permits so that rail car management outside of RCRA storage areas is addressed specifically. The waiver of enforcement of federal regulatory requirements is within the authority of the Region VII RCRA Branch and the authorized States. This prosecutory discretion allows the regulators the option of not enforcing regulations if they determine an overriding environmental or otherwise important reason. Storage permits, specifying rail car management standards outside RCRA storage areas have already been issued by authorized states in Region 7.

Advantage: The advantage of this alternative is that by applying strict limitations to rail car management, during interim status and in Part B permits, the clarity of the level of environmental protection will be increased as compared to the existing situation, and a level of environmental protection comparable to the first alternative.

In order for a waiver to be granted the facility must develop a "Rail Car Management Plan" which, at minimum, meets the following criteria:

Rail Car Management Plans

- Security Requirements comparable to 40 CFR 264/265.14)

Rail cars must be staged in fenced and secured locations on the facility; drain valves locked.

- Inspection Requirements comparable to 40 CFR 264/265.15)

Rail cars must be inspected daily; inspections must be documented.

- Handling requirements for Ignitable Wastes comparable to 40 CFR 264/265.17)

- Spill/Release Control comparable to SPCC Regulations at 40 CFR 112)

SPCC regulations apply, therefore, the facility must have one of the following in place to prevent release to surface water:

- Dikes, berms, curbing, or other drainage systems;
- Spill diversion/detention Ponds;

- Rail Car Tracking System Required

The facility must maintain records that documents the length of time each rail car spends onsite containing hazardous waste.

- Limits to time rail cars may be staged on-site of 10 calendar days.
- Limits the maximum number of cars to be staged safely at the facility.

Suggest: 10 full cars
10 non-RCRA empty cars

- Specific rail car emergency response procedures comparable to the Contingency Plan Requirements (40 CFR 264/265 Subpart D)

OSHA Hazardous Waste Operations and Emergency Response (29 CFR 1910.120) requirements apply to these facilities regardless of where the waste is stored.

Since the waiver would be site specific and conditions vary from site to site, we encourage considerations be given to any additional requirements that would make the storage safer.

Disadvantages: There are two problems with this alternative. The first is that it will be less protective than storing the rail cars in a RCRA storage area with secondary containment. If a rail car were to develop a leak while on site, only providing full secondary containment can prevent a release to the environment. However, as detailed above, site specific restrictions can be established that provide a level of protection similar to wastes placed in a regulated storage area.

The second potential problem with this alternative is its enforceability. During interim status, deviations from the conditions for obtaining enforcement discretion can result in the facility returning to the status of an illegal storage facility. This would result in the violative unit probably requiring closure and payment of substantial penalties. Under a permit, specific facility rail car management standards can be incorporated into the permit. Therefore, violations of rail car management standards can be enforced as any other permit violation.

Region VII Position

Region 7 has decided to issue a policy relating to Combustion facilities that receive large quantities of hazardous waste in rail cars or tank trucks. We determined that these facilities are sufficiently different from other TSDs and the risk or significantly greater that a new policy is needed.

The policy established herein states these combustion TSDs must either comply with 40 CFR 264/265 for the areas where railcars and truck cars are held pending emptying into the on-site storage tanks or comply with the terms of a site-specific waiver.

The states of Missouri, Nebraska, and Kansas have primacy for regulating hazardous waste storage areas within their states and therefore have the authority to select the option that is best for the facility in question. These states may use the waiver if they desire to provide this industry with some

regulatory relief. EPA will use the waiver authority when appropriate in Iowa which is a EPA lead state. EPA will support States who choose not to require RCRA storage facilities for rail cars containing hazardous waste if the general requirements for waivers described above are included and site specific conditions as necessary to assure the environmental safety of the operations are in place. The waiver conditions may be considered for use permit standards when the permit is issued.

The facility receiving a waiver that meets the above conditions will not be subject to action under 40 CFR 264/265. A facility that chooses not to apply for a waiver within three months of the effective date of this policy will be subject to 40 CFR 264/265. Upon receipt of the waiver, any violation of the waiver could result in enforcement actions by the issuing agency and possibly closure of the illegal storage unit. A violation of the waiver would be considered a high priority violation.

One of the concerns expressed with resolving the above on-site storage issue was that this may encourage more off-site storage in sham transfer points. This reduces the quantity of waste on site to ease on site handling, but creates opportunities for environmental harm caused by releases from tanks that have no security and are sometime in precarious environmental areas (along streams, major metropolitan areas, etc).

Region 7 proposes to assist the states in investigating possible sham transfer points. Incidents where the regulators determine that illegal storage occurs or where legitimate transfer facilities held waste for more than the allowed ten days would be addressed by enforcement action against the violator (either the transporter or the TSD, depending on who is operating the side tracks). Enforcement actions would discourage this behavior since the transporter (the railroads) do not benefit from this illegal storage.

A. A second option would be a waiver similar to the on-site storage waiver.